

Development Per-Unit Annual Operating Expenses: Regional Averages, 2005-2006

Region A (Upper Peninsula):
\$3,860

**Region B
(Northern):**
\$3,871

**STATE
WEIGHTED
AVERAGE:**
\$4,007

**Region C
(West Central):**
\$3,510

**Region E
(East Central):**
\$3,922

**Region D
(Central):**
\$3,581

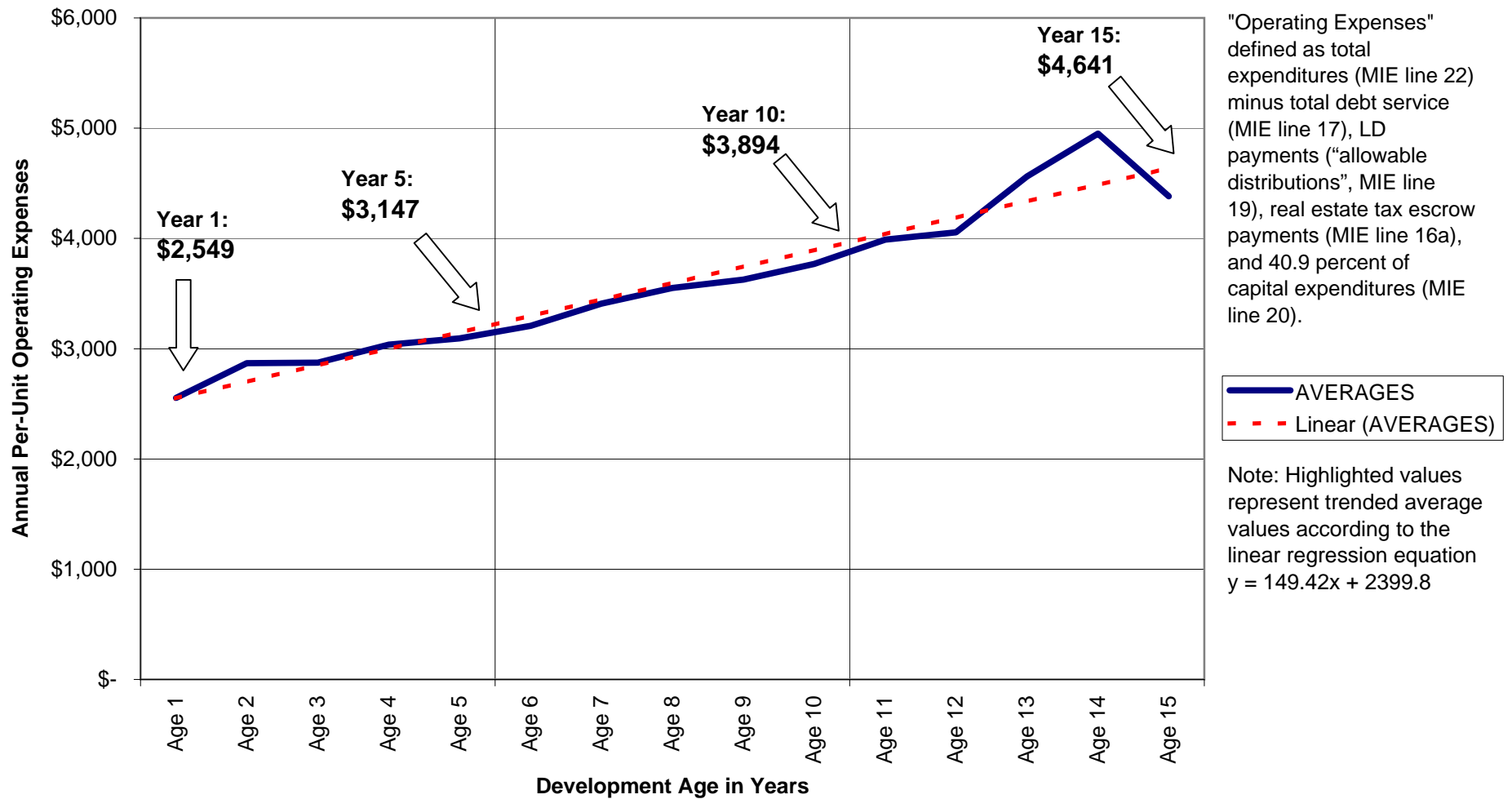
**Region F
(Southwestern):**
\$3,891

**Region H
(Southeast):**
\$4,458

**Region G
(South Central):**
\$3,817

“Operating Expenses” defined as total expenditures (MIE line 22) minus total debt service (MIE line 17), LD payments (“allowable distributions”, MIE line 19), real estate tax escrow payments (MIE line 16a), and 40.9 percent of capital expenditures (MIE line 20).
April 11, 2007

Average Annual Per-Unit Operating Expenses by Development Age **MSHDA Multi-family Developments Closing 1991 to 2005**



This chart provides a trend analysis of the increasing per unit costs of developments as they age. The average trended annual increase in operating expenses over the past 15 years is 4.1%